

serve this country abroad. Yes, it is true that there are winners and losers in any tax code, but this inequity was unintended. Enacting this narrowly tailored remedy to grant equal tax relief to the members of our Uniformed and Foreign Services restores fairness and consistency to our increasingly complex Tax Code.

I would like to thank Senator BAUCUS and the chairman of the Finance Committee, Senator GRASSLEY, for their superb effort on behalf of our soldiers, sailors, airmen, marines, and Foreign Service officers. As I stated earlier, the provisions in this amendment are issues we have needed to fix for a long time. Let's get it passed this year and finally enacted into law.

Mr. GRAHAM of South Carolina. I rise today to tell you about an urgent issue in my State that could benefit from the same relief this bill provides for Arkansas schools. The relief is known as "advance refunding."

Just like homeowners, municipally owned utilities are able to refinance or "refund" their bonds. But the Tax Code permits them to do this only once. Imagine if you had refinanced your home at 7.5 percent a few years ago. Having taken that one opportunity, now that rates are at 5.15 percent, you would not be permitted to do another refinancing. You would miss out on this opportunity to refinance.

There is a utility in my State that finds itself just in this position and all of the utility's consumers suffer the consequences. Without an additional advance refunding, its customers face significant rate increases as the utility struggles to remain competitive in the restructured marketplace while paying off debt it incurred to bring electricity to many customers in my State. I want my constituents to enjoy stable rates just as I know yours do, Mr. Chairman. I ask if you would work with me in this conference to provide additional advance refunding relief to meet this urgent need in my State.

Mr. GRASSLEY. I agree that an additional advance refunding opportunity would be helpful and practical in your situation and in others. I will work with you in conference to see if there is an opportunity to accommodate you.

Mr. BAUCUS. Mr. President, tomorrow, an amendment will be offered—I am not sure by whom; it may be Senator NICKLES from Oklahoma—which accelerates the dividend exclusion provisions considerably beyond the provisions that are in the Finance Committee bill. Our understanding is it is a 50 percent exclusion in the first year, 2003, and 100 percent up through 2006, and after that the provision will be sunsetted.

I will make a couple of comments because we will not have time to comment on it tomorrow at any length. One is that this is a significant increase from the committee bill, which costs \$80 billion. My understanding is that this amendment will cost in the neighborhood of \$124 billion. How is the

\$40 billion difference going to be paid for?

Clearly, there is going to have to be cutting back on other tax cuts—whether it is the marriage penalty or whatever—to bring that to the attention of Members who may believe it is better to have a child tax credit or a marriage penalty and whatnot.

And I have not seen the amendment, so I am not exactly sure of the provisions, but from all indications, it will eliminate the provisions in the President's dividend exclusion, which will require that before a dividend can be paid, a company would have to pay income taxes in the prior year. If that provision is eliminated, that is going to mean that we are not only ending double taxation of dividends, in many cases we will be ending single taxation of dividends, which, in a sense, will mean dividends will be tax-free. All American wages will be taxed, interest income will be taxed, and other ordinary income is going to be taxed. But if a company did not pay taxes in the prior year, then the company will be basically giving dividends to shareholders, and there will be no tax on them, not at the individual level or the corporate level. That, I think, is a gross miscarriage of justice.

For that additional reason, I hope the Senate does not adopt that provision when we vote on it tomorrow.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

MORNING BUSINESS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate proceed to a period for morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMPLYING WITH PL 93-148

Mr. STEVENS. Mr. President, I ask unanimous consent that the letter I received today from President George W. Bush be printed in the RECORD. The letter was sent to me, as President pro tempore of the Senate, in compliance with the war powers resolution, Public Law 93-148.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, DC, May 14, 2003.

Hon. TED STEVENS,
President pro tempore of the Senate Washington, DC.

DEAR MR. PRESIDENT In my report to the Congress of November 15, 2002, I provided information regarding the continued deployment of combat-equipped U.S. military personnel as the U.S. contribution to the NATO-led international security force in Kosovo (KFOR) and to other countries in the region in support of that force. I am providing this supplemental report prepared by my Administration, consistent with the War Powers Resolution (Public Law 93-148), to help ensure that the Congress is kept fully informed on continued U.S. contributions in support of peacekeeping efforts in Kosovo.

As noted in previous reports, the U.N. Security Council authorized member states to establish KFOR in U.N. Security Council Resolution 1244 of June 10, 1999. The mission of KFOR is to provide an international security presence in order to deter renewed hostilities; verify and, if necessary, enforce the terms of the Military Technical Agreement between NATO and the Federal Republic of Yugoslavia; enforce the terms of the Undertaking on Demilitarization and Transformation of the former Kosovo Liberation Army; provide day-to-day operational direction to the Kosovo Protection Corps; and maintain a safe and secure environment to facilitate the work of the U.N. Interim Administration Mission in Kosovo (UNMIK).

Currently, the U.S. contribution to KFOR in Kosovo is about 2,250 U.S. military personnel, or approximately 9 percent of KFOR's total strength. Additionally, U.S. military personnel occasionally operate from Macedonia, Albania, and Greece in support of KFOR operations. Nineteen non-NATO contributing countries also participate with NATO forces in providing military personnel and other support personnel to KFOR.

The U.S. forces are assigned to a sector principally centered around Gnjilane in the eastern region of Kosovo. For U.S. KFOR forces, as for KFOR generally, maintaining a safe and secure environment remains the primary military task. The KFOR forces operate under NATO command and control and rules of engagement. The KFOR coordinates with and supports UNMIK at most levels, provides a security presence in towns, villages, and the country-side, and organizes checkpoints and patrols in key areas to provide security, protect minorities, resolve disputes, and help instill in the community a feeling of confidence.

The UNMIK continues to transfer non-reserved competencies under the Constitutional Framework document to the Kosovar Provisional Institutions of Self-government (PISG). The PISG includes the President, Prime Minister, and Kosovo Assembly, and has been in place since March 2002. Municipal elections were successfully held for a second time in October 2002.

NATO continues formally to review KFOR's mission at 6-month intervals. These reviews provide a basis for assessing current force levels, future requirements, force structure, force reductions, and the eventual withdrawal of KFOR. NATO has adopted the Joint Operations Area plan to regionalize and rationalize its force structure in the Balkans. The KFOR has transferred full responsibility for public safety and policing to the UNMIK international and local police forces throughout Kosovo except in the area of Mitrovica, where the responsibility is shared due to security concerns. The UNMIK international police and local police forces have also begun to assume responsibility for guarding patrimonial sites and established border-crossing checkpoints.

The continued deployment of U.S. forces has been undertaken pursuant to my constitutional authority to conduct U.S. foreign relations and as Commander in Chief Executive. I appreciate the continued support of the Congress in these actions.

Sincerely,

GEORGE W. BUSH.

DEVELOPING ALASKA OIL

Mr. STEVENS. Mr. President, my colleague, Senator MURKOWSKI, recently wrote an article entitled "Developing Alaska Oil Is Good for the Global Environment," which was published on May 4, 2003 in the Anchorage Daily News.